

**367.652 Registration of professional solicitors and fundraising consultants -- Prohibitions -- Background check.**

- (1) A professional solicitor shall file a registration statement with, and obtain the approval of, the Attorney General before acting as a professional solicitor. The registration statement shall be attested to by the professional solicitor, if an individual, or by the principal officer of the professional solicitor, if the solicitor is a business entity. The statement shall be accompanied by a fee of three hundred dollars (\$300), plus the costs of a background investigation to the Attorney General's office. The funds shall be placed in a trust or agency account pursuant to KRS 45.253. If a professional solicitor is a corporation or partnership, a single fee shall cover all its partners, members, employees, directors, agents, or officers.
- (2) Each registration shall expire on December 31 of the calendar year in which it is filed and may be renewed by reapplying and paying the prescribed fee.
- (3) At the time of filing the registration statement, a professional solicitor shall file with and have approved by the Attorney General a full cash or surety bond in the amount of twenty-five thousand dollars (\$25,000). The bond shall be in favor of the Attorney General and shall be held for any person having prevailed in a cause of action against the solicitor for liabilities resulting from the solicitor's violation of KRS 367.650 to 367.670 or any administrative regulation promulgated pursuant to these sections. The bond shall be in a form prescribed by the Attorney General. If a surety bond is issued, it shall be issued by an insurer authorized to transact surety insurance in this state pursuant to KRS Chapter 304. The Attorney General may require that any cash offered as security for a full cash bond be held in escrow by a financial institution located in the state, subject to an escrow agreement approved by the Attorney General.
- (4) The registration statement shall be filed in a form prescribed by the Attorney General and shall include:
  - (a) The name, address, and telephone number of the professional solicitor and the agent authorized to accept service of process in this state;
  - (b) The names in which the professional solicitor is doing business in Kentucky and any names used in the past;
  - (c) The names and addresses of any charity sharing in the charitable contributions received in this state;
  - (d) A copy of any articles of incorporation and by-laws of the solicitor, fund raising consultant, and the charitable organization, and any tax-exempt status letter from the Internal Revenue Service;
  - (e) The names, addresses, and occupations of persons employed by or who have contracted with the professional solicitor and a statement of whether those persons have been convicted of a felony or a misdemeanor involving moral turpitude or arising from their conduct as solicitors for a charitable organization or purpose;
  - (f) A copy of the financial statement for the professional solicitor's preceding fiscal year, which shall set out the total profits and revenue from all fundraising

activities, the balance sheet, the kind and amounts of funds raised, specific costs in raising funds, the percentage of funds raised on behalf of the charitable organization which are actually paid to the organization for charitable purposes, and the location of the original financial records;

- (g) A statement of whether the professional solicitor has ever been enjoined by any court or otherwise prohibited from soliciting contributions in any jurisdiction;
  - (h) A statement indicating the method by which the solicitation is made, a description of the promotional plan together with copies of all advertisements, the location of all telephones being used, and the time period during and the areas in which the solicitations are made; and
  - (i) Any other information which may be required by the Attorney General for the public interest or for the protection of contributors.
- (5) A fundraising consultant shall file a registration statement with and obtain the approval of the Attorney General before acting as a consultant. The registration statement shall be attested to by the fundraising consultant, if the consultant is an individual, or by the principal officer of the fundraising consultant, if the consultant is a business entity. The statement shall be accompanied by a fee of fifty dollars (\$50), plus the costs of a background investigation. The fees shall be placed in a trust or agency account pursuant to KRS 45.253. If a fundraising consultant is a corporation or partnership, a single fee shall cover all its partners, members, employees, directors, agents, or officers.
- (6) Each registration shall expire on December 31 of the calendar year in which it is filed and may be renewed by reapplying and paying the fee.
- (7) The professional solicitor and fundraising consultant shall report in writing to the Attorney General any material change in the registration statement occurring after filing. The report shall be filed within seven (7) calendar days after the change occurs.
- (8) No person shall act as a professional solicitor or fundraising consultant if he, his officers, directors, or any person with a controlling interest in the business, or any person the professional solicitor or fundraising consultant employs or procures to solicit for compensation or to advise, consult, plan, or manage in regards to the solicitation campaign, has been convicted by a court of any state or the United States of a felony or a misdemeanor involving moral turpitude or arising from his conduct as a solicitor or consultant for a charitable organization or purpose. A background check on each person set out in this subsection shall be performed by the Attorney General's office. The actual cost of the investigation shall be added to the registration fee.

**Effective:** July 15, 1994

**History:** Created 1994 Ky. Acts ch. 151, sec. 3, effective July 15, 1994.